

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

To the Board of Directors of RICH ASIA STEEL PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2016 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and condensed notes to financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiary companies and also of RICH ASIA STEEL PUBLIC COMPANY LIMITED only. The management of the entity is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements Code No. 2410 : "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

SAM NAK-NGAN A.M.C. CO., LTD.

(Miss Praphasri Leelasupha)

Certified Public Accountant Registration No. 4664

Bangkok,

May 13, 2016

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION**

**(Unit : Thousand Baht)**

		Consolidated financial statements		Separate financial statements	
		As at		As at	
	Notes	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
		Unaudited	Audited	Unaudited	Audited
		Limited review only		Limited review only	
<u>Assets</u>					
Current assets					
Cash and cash equivalents items		13,146	526,460	10,490	525,350
Trade and other receivable	4.1 and 5	1,782,960	1,966,898	1,676,740	1,846,134
Short-term loans to related parties	4.1	-	-	389,200	389,200
Inventories	6	450,683	269,822	433,333	234,253
Advance payment for goods	7	467,479	465,737	365,180	398,840
Deposit for investment	8	30,000	30,000	30,000	30,000
Total current assets		2,744,268	3,258,917	2,904,943	3,423,777
Non-current assets					
Bank deposit pledged as collateral		3,802	3,783	1,921	1,917
Investment in subsidiaries	9	-	-	366,136	346,111
Investment in associate	10	187,060	189,414	198,478	198,478
Investment property	11	8,620	8,849	8,620	8,849
Property, plant and equipment	12	802,044	819,869	67,667	69,657
Other non-current assets		5,176	5,184	2,531	2,531
Total non-current assets		1,006,702	1,027,099	645,353	627,543
Total assets		3,750,970	4,286,016	3,550,296	4,051,320

Notes to financial statements are an integral part of these financial statements.

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION**

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	14	20,000	16,000	20,000	16,000
Trade and other payable	4.1 and 15	250,774	258,914	240,472	249,719
Short-term loans from other persons and parties	16	148,229	135,911	148,229	135,911
Short-term loans from related parties	4.1	-	-	19,000	-
Current portion of debentures	17	495,233	-	495,233	-
Current portion of liabilities under debt restructuring agreement	18	54,000	48,000	54,000	48,000
Total current liabilities		968,236	458,825	976,934	449,630
Non-current liabilities					
Debentures	17	719,847	1,211,811	719,847	1,211,811
Liabilities under debt restructuring agreement	18	849,893	1,406,969	849,893	1,406,969
Employee benefit obligations	19	1,788	1,763	1,239	1,229
Deferred tax liabilities	20	92,076	93,503	-	-
Total non-current liabilities		1,663,604	2,714,046	1,570,979	2,620,009
Total liabilities		2,631,840	3,172,871	2,547,913	3,069,639
Shareholders' equity					
Share capital	21				
Authorized share capital					
2,400,000,000 ordinary shares @ Baht 1.00		2,400,000	2,400,000	2,400,000	2,400,000
Issued and paid-up share capital					
2,400,000,000 ordinary shares @ Baht 1.00		2,400,000	2,400,000	2,400,000	2,400,000
Discount on share capital		(562,135)	(562,135)	(562,135)	(562,135)
Deficit		(1,022,096)	(1,033,968)	(835,482)	(856,184)
Other component of shareholders' equity		73,689	73,721	-	-
Total shareholders' equity of the parent company		889,458	877,618	1,002,383	981,681
Non-controlling interests		229,672	235,527	-	-
Total shareholders' equity		1,119,130	1,113,145	1,002,383	981,681
Total liabilities and shareholder's equity		3,750,970	4,286,016	3,550,296	4,051,320

Notes to financial statements are an integral part of these financial statements.

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the three-month period ended March 31, 2016**

**(Unit : Thousand Baht)**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Notes</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenue					
Revenue from sales		783,891	1,947,658	680,778	1,678,209
Other incomes		4,091	11,522	11,847	13,957
Total revenues		787,982	1,959,180	692,625	1,692,166
Expenses					
Cost of sales	6	716,900	1,905,227	611,160	1,639,060
Selling expenses		1,529	1,188	271	501
Administrative expenses		17,842	18,549	14,609	15,469
Management benefit expenses	4.3 and 22	2,967	3,253	2,967	3,253
Financial cost		42,918	29,541	42,916	29,536
Total expenses		782,156	1,957,758	671,923	1,687,819
Profit before share of loss on investment in associate and income tax		5,826	1,422	20,702	4,347
Share of loss on investment in associate		(2,243)	(1,485)	-	-
Profit (loss) before income tax		3,583	(63)	20,702	4,347
Income tax revenue	23	1,427	1,391	-	-
Profit for the period		5,010	1,328	20,702	4,347
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,010	1,328	20,702	4,347
Profit for the period attributable to :					
Equity holders of the parent company		11,872	2,702	20,702	4,347
Non-controlling interests of the subsidiaries		(6,862)	(1,374)	-	-
		5,010	1,328	20,702	4,347
Total comprehensive income attributable to :					
Equity holders of the parent company		11,872	2,702	20,702	4,347
Non-controlling interests of the subsidiaries		(6,862)	(1,374)	-	-
		5,010	1,328	20,702	4,347
Basic earnings per share					
Equity holders the parent company (Unit : Baht)	24	0.005	0.001	0.009	0.002

**Unaudited**

**Limited review only**

Notes to financial statements are an integral part of these financial statements.

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the three-month period ended March 31, 2016**

**(Unit : Thousand Baht)**

	Issued and paid-up share capital		Discount on share capital	Deficit	Other component of equity		Total equity attributable to owners of the parent company	Non-controlling interests	Total shareholders' equity
					Other changes resulting from shareholders				
					Surplus from change in equity interest	Total other component of equity			
Balance as at January 1, 2015	2,400,000	(562,135)	(868,818)	73,721	73,721	1,042,768	268,560	1,311,328	
Profit (loss) for the period	-	-	2,702	-	-	2,702	(1,374)	1,328	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income (loss) for the period	-	-	2,702	-	-	2,702	(1,374)	1,328	
Increase on non-controlling interests	-	-	-	-	-	-	100	100	
Ending balance as at March 31, 2015	2,400,000	(562,135)	(866,116)	73,721	73,721	1,045,470	267,286	1,312,756	
Balance as at January 1, 2016	2,400,000	(562,135)	(1,033,968)	73,721	73,721	877,618	235,527	1,113,145	
Profit (loss) for the period	-	-	11,872	-	-	11,872	(6,862)	5,010	
Other comprehensive income	-	-	-	-	-	-	-	-	
Total comprehensive income (loss) for the period	-	-	11,872	-	-	11,872	(6,862)	5,010	
Increase on non-controlling interests	-	-	-	-	-	-	975	975	
Discount from changed in shareholding in the subsidiary	-	-	-	(32)	(32)	(32)	32	-	
Ending balance as at March 31, 2016	2,400,000	(562,135)	(1,022,096)	73,689	73,689	889,458	229,672	1,119,130	

**Unaudited**

**Limited review only**

Notes to financial statements are an integral part of these financial statements.

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the three-month period ended March 31, 2016**

**(Unit : Thousand Baht)**

	<b>Issued and paid-up share capital</b>	<b>Discount on share capital</b>	<b>Deficit</b>	<b>Total</b>
Balance as at January 1, 2015	2,400,000	(562,135)	(737,048)	1,100,817
Profit for the period	-	-	4,347	4,347
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	4,347	4,347
Ending balance as at March 31, 2015	2,400,000	(562,135)	(732,701)	1,105,164
Balance as at January 1, 2016	2,400,000	(562,135)	(856,184)	981,681
Profit for the period	-	-	20,702	20,702
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	20,702	20,702
Ending balance as at March 31, 2016	2,400,000	(562,135)	(835,482)	1,002,383

**Unaudited**

**Limited review only**

Notes to financial statements are an integral part of these financial statements.

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS**

**For the three-month period ended March 31, 2016**

**(Unit : Thousand Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Cash flows from operating activities				
Profit (loss) before income tax	3,583	(63)	20,702	4,347
Adjustments to reconcile profit (loss) before income tax for cash received (paid) from operation				
Depreciation	18,181	18,162	2,141	2,176
Depreciation for investment property	229	227	229	227
Reversal doubtful accounts	-	(2,584)	-	-
Reversal of loss from declining in value of inventories	(1,232)	(2,542)	(2,116)	(418)
Share of loss on investment in associates	2,354	1,485	-	-
Unrealized (gain) loss on exchange rate	(11,912)	4,963	(11,912)	4,963
Gain from disposed and written-off assets	(12)	(1,353)	(12)	(123)
Employee benefits expense	16	16	7	7
Interest income	(18)	(18)	(7,746)	(7,677)
Interest expenses	42,893	29,533	42,897	29,533
Interest expenses of employee benefits	9	8	3	3
Profit from operation before changes in operating assets and liabilities	54,091	47,834	44,193	33,038
Operating assets (increase) decrease				
Trade and other receivable	184,038	(1,349,807)	169,488	(1,078,674)
Inventories	(179,373)	(281,961)	(198,633)	(239,708)
Advance payment for goods	(1,998)	650,903	35,329	534,099
Other non-current assets	8	165	-	-
Operating liabilities increase (decrease)				
Trade and other payable	3,749	853,697	2,838	665,262
Other non-current liabilities	-	(1)	-	-
Cash received (paid) from operation	60,515	(79,170)	53,215	(85,983)
Cash paid for income tax	(101)	(228)	(101)	(225)
Net cash received from (used in) operating activities	60,414	(79,398)	53,114	(86,208)

**Unaudited**

**Limited review only**

Notes to financial statements are an integral part of these financial statements.



**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS**

**For the three-month period ended March 31, 2016**

**(Unit : Thousand Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Cash flows from investing activities				
Increase in bank deposits pledged as collateral	(19)	(19)	(4)	-
Cash received from interest	19	20	7,753	6,158
Cash payment for purchase of investment in subsidiary	-	-	(20,025)	(900)
Cash payment for purchase of property, plant and equipment	(119)	(2,052)	(114)	(179)
Cash received from sale of property, plant and equipment	15	1,417	15	187
Net cash received from (used in) investing activities	(104)	(634)	(12,375)	5,266
Cash flows from financing activities				
Increase in short-term loans from financial institutions	4,000	130	4,000	130
Cash received from short-term loans from other persons and parties	9,643	-	9,643	-
Cash received from short-term loans from related parties	-	72,000	19,000	72,000
Cash payment in short-term loans from related parties	-	(109,975)	-	(109,975)
Cash payment for debt under restructuring agreement	(491,000)	-	(491,000)	-
Cash paid for interest expenses	(97,242)	(18,856)	(97,242)	(18,856)
Cash received from increase on non-controlling interests	975	100	-	-
Net cash used in financing activities	(573,624)	(56,601)	(555,599)	(56,701)
Cash and cash equivalent items decrease-net	(513,314)	(136,633)	(514,860)	(137,643)
Cash and cash equivalent items at the beginning of the period	526,460	297,061	525,350	296,018
Cash and cash equivalent items at the end of the period	13,146	160,428	10,490	158,375
1. Supplementary disclosure of cash flow information - non cash item				
- Purchase fixed assets by credit	240	141	40	-
2. Cash and cash equivalent items consisted of :-				
- Cash	97	131	65	30
- Cheque on hand	1,250	-	-	-
- Banks, savings and current accounts	11,799	160,297	10,425	158,345
Total	13,146	160,428	10,490	158,375

**Unaudited**

**Limited review only**

Notes to financial statements are an integral part of these financial statements.

**RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO FINANCIAL STATEMENTS****For the three-month period ended March 31, 2016****(UNAUDITED/LIMITED REVIEW ONLY)**

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**1. General information**

RICH ASIA STEEL PUBLIC COMPANY LIMITED (“The Company”) was registered as a Company Limited in accordance with the Civil and Commercial Law Code on May 10, 1999, with the registered number 0107549000050, and registered as the Public Company Limited on March 27, 2006, with its registered head office at 636 Bangkhuntien-Chaitaleey Road, Thakham, Bangkhuntien, Bangkok 10150, Thailand.

The Company and its subsidiaries (collectively called the “Group Companies”) operate in the business of production and distribution of steel pipe, steel products and service of steel production and procurement of material, equipment, and technology as well as investment in utilities and infrastructure, and service of water supply and other utilities.

**2. Basis of interim financial statements preparation and accounting policies**

2.1 These interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

2.2 The interim financial statements are prepared in the condensed format and in accordance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” including interpretations and guidance promulgated by the Federation of Accounting Professions (“FAP”), related regulations and announcements of the Securities and Exchanges Commission. However, the Company has presented items in the statements of financial position, statements of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

- 2.3 The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2015. They do not include all of the financial information requires for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2015.
- 2.4 The interim financial statements are presented in Thai Baht, rounded to the nearest thousand baht unless otherwise stated.
- 2.5 Using of the significant accounting policies and the calculation method of the Group Companies in the preparation of the interim financial statements for the three-month period ended March 31, 2016 are consistent with those used in the annual financial statements for the year ended December 31, 2015.
- 2.6 New financial reporting standards

During the period, the Group Companies has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

### 3. Principles of interim consolidation financial statements

The interim consolidated financial statements for the three-month periods ended March 31, 2016 have been prepared by including the financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiaries ("The Group Companies") after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of :-

<u>Name of subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholdings</u>	
			<u>2016</u>	<u>2015</u>
Rich Asia Industry Co., Ltd.	Production and distribution of steel pipe, steel product and service of steel production	Thai	51.88	51.88
Rich Asia Engineering Co., Ltd.	Procurement of material, equipment, and technology as well as investment in utilities and infrastructure	Thai	95.00	90.00
Rich Asia Utilities Co., Ltd.	Service of water supply and other utilities	Thai	99.99	-

The Financial Statement of Rich Asia Utilities Co., Ltd. is included in the consolidated financial statements in the first quarter of the year 2016, the Company invested in the subsidiary company which is established in 2016.

The financial statements of subsidiaries are prepared using the report date as the Company and prepared using the same accounting policy for the same accounting items.

#### 4. Inter-transaction with related companies

The Company has significant inter-transactions items incurred with its subsidiaries and related person or related companies with common shareholders group and mutual directors and management. The material inter-transaction items and outstanding balance with the subsidiary and related companies could be summarized as follows:-

##### 4.1 Inter-assets and liabilities

(Unit : Thousand Baht)

	<u>Consolidated financial statements as at</u>		<u>Separate financial statements as at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
<u>Trade and other receivable</u>				
Rich Asia Industry Co., Ltd.	-	-	82,176	61,697
Rich Asia Engineering Co., Ltd.	-	-	20	20
Thai National Product Co., Ltd.	17	3	17	-
Star Decor & Design Co., Ltd.	118	118	118	118
Total	135	121	82,331	61,835
<u>Less</u> Allowance for doubtful debt	-	-	(5,296)	(5,296)
Trade and other receivable-Net	135	121	77,035	56,539
<u>Short-term loans to related parties</u>				
- Rich Asia Industry Co., Ltd.				
Beginning balance	-	-	389,200	389,200
Addition	-	-	-	-
Repayment	-	-	-	-
Ending balance	-	-	-	-
- Thai National Product Co., Ltd.				
Beginning balance	-	-	-	-
Addition	-	120,000	-	120,000
Repayment	-	(120,000)	-	(120,000)
Ending balance	-	-	-	-
Total short-term loans to related parties	-	-	389,200	389,200

As at March 31, 2016 and December 31, 2015, the Company had short-term loans to subsidiary company is carried by interest rate of 8.00% per annum for both periods.

(Unit : Thousand Baht)

	<u>Consolidated financial statements as at</u>		<u>Separate financial statements as at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
<u>Trade and other payable</u>				
Rich Asia Engineering Co., Ltd.	-	-	4	-
Thai National Product Co., Ltd.	-	38	-	11
G.T. Steel Works Co., Ltd.	11,747	11,747	11,747	11,747
Director	630	655	31	55
Total	12,377	12,440	11,782	11,813
<u>Short-term loans from related parties</u>				
Rich Asia Engineering Co., Ltd.				
Beginning balance	-	-	-	-
Addition	-	-	19,000	-
Repayment	-	-	-	-
Ending balance	-	-	19,000	-
Thai National Product Co., Ltd.				
Beginning balance	-	187,378	-	187,378
Addition	-	114,000	-	114,000
Repayment	-	(301,378)	-	(301,378)
Ending balance	-	-	-	-
Total	-	-	19,000	-

As at March 31, 2016 the Company short-term loans from subsidiary is carried by interest rate of 1.00% per annum.

#### 4.2 Inter-revenues and expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Transactions with related person and related companies</u>				
Revenues from sales of goods	2,821	19,155	2,821	19,155
Revenues from sales of raw materials	-	2,766	-	2,766
Purchase of goods	73	-	73	-
Other expenses	88	170	88	170
Interest expense	-	2,783	-	2,783

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Transactions with subsidiaries companies</u>				
(Eliminated from consolidated financial statements)				
Revenues from sales of raw materials	-	-	97,208	53,003
Other income	-	-	62	29
Interest income	-	-	7,741	7,677
Purchase of goods	-	-	-	24,248
Other expenses	-	-	150	-
Interest expenses	-	-	4	-

#### 4.3 Management benefit expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	2,965	3,251	2,965	3,251
Post-employment benefits	2	2	2	2
Total	2,967	3,253	2,967	3,253

#### 4.4 Pricing policies

Pricing policies for each transactions are described as follows:

<u>Type of transactions</u>	<u>Pricing policies</u>
Revenues from sale	Price can be comparative against outside parties
Other income	Mutual agreement/Contract price
Purchases of goods	Price can be comparative against outside parties
Other expenses	Actual price/Contract price
Interest income	Interest rate 8.00% per annum (2015 : 6.63%-8.00% per annum)
Interest expenses	Interest rate 1.00% per annum (2015 : 6.63%-6.75% per annum)

In 2015, the Company has guarantee transaction between its associate company without any interest expenses. In the first quarter 2016, the Company had proceed to redeem the mortgaged land, buildings and machinery of associate and obligations guaranteed by the associate.

#### 4.5 Types of relationship of related parties are as follows:

<u>Name of Companies</u>	<u>Type of business</u>	<u>Type of relationship</u>
Rich Asia Industry Co., Ltd.	Production and distribution of steel pipe, steel product and service of steel production	Subsidiary
Rich Asia Engineering Co., Ltd.	Procurement of material, equipment and technology as well as investment in utilities and infrastructure	Subsidiary
Rich Asia Utilities Co., Ltd.	Service of water supply and other utilities	Subsidiary
Thai National Product Co., Ltd.	Foundation pile manufacturing, distribution delivery and pile driving and production of concrete product	Associate
G.T. STEEL WORKS Co., Ltd.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders
PNB Inter Group Co., Ltd.	Distribution and installment of Marbles granites and natural stone materials	The management's of Thai National Product Co., Ltd.
Star Decor & Design Co., Ltd.	Installment contractor of Marbles granites and natural stone materials	The management's of Thai National Product Co., Ltd.
Ms. Angkakarn Tantiviroon		Chief Executive Officer Director
Mr. Somkiat Vongsarojana		Managing Director
Mr. Teera Phoncharoensuk		Director

#### 5. Trade and other receivable

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Trade receivable-related parties	135	121	74,377	53,873
Trade receivable-other parties	1,653,238	1,921,313	1,479,707	1,751,091
Post dated cheques-other parties	88,927	12,577	85,892	11,900
Total Trade receivable	1,742,300	1,934,011	1,639,976	1,816,864
Other receivable-related parties	-	-	7,954	7,962
Other receivable-other parties	1,247	1,584	1,242	1,501
Revenue department receivable	35,980	25,322	29,691	19,240
Others	3,433	5,981	3,173	5,863
Total Other receivable	40,660	32,887	42,060	34,566
<u>Less</u> Allowance for doubtful accounts-related parties	-	-	(5,296)	(5,296)
Trade receivables-net	40,660	32,887	36,764	29,270
Total Trade and other receivable	1,782,960	1,966,898	1,676,740	1,846,134

Trade and notes receivables were classified by aging as follows :-

#### 5.1 Trade receivable-related parties

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Within credit term	6	118	22,305	40,582
Over due 1 to 90 days	129	3	52,072	4,766
Over due 91 to 180 days	-	-	-	8,525
Total	135	121	74,377	53,873

The normal credit term granted by the Group Companies is 30-120 days.

#### 5.2 Trade receivable-other parties

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Within credit term	568,607	709,498	485,773	642,207
Over due 1 to 90 days	809,599	379,296	722,692	366,365
Over due 91 to 180 days	318,068	521,178	311,243	450,050
Over due 181 to 365 days	45,891	323,918	45,891	304,369
Over due over 1 year	-	-	-	-
Total	1,742,165	1,933,890	1,565,599	1,762,991

The normal credit term granted by the Group Companies is approximately from 7-120 days.

For the three-month period ended March 31, 2016, no movement of allowance for doubtful debts-trade receivables.

The management of the Company believe that the setting up of the allowance for doubtful debts have been sufficiently recorded for the present situation.



As at March 31, 2016, the consolidated and separate financial statement, the Company factored some post dated cheques in the amount of Baht 4.00 million to discount with the financial institution. The Company still have to take responsibility in the notes receivable if financial institution cannot collect debt repayment from such notes receivable.

## 6. Inventories

Consisted of:-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Finished goods	231,732	34,704	220,083	26,007
Work in process	1,216	16	-	-
Raw materials	220,451	239,444	214,884	210,607
Supplies	4,659	4,521	1,184	904
Total	458,058	278,685	436,151	237,518
<u>Less</u> Allowance for declining in value of inventories	(7,375)	(8,863)	(2,818)	(3,265)
Net	450,683	269,822	433,333	234,253

A movement of allowance for diminution in value of inventories for the three-month period ended March 31, 2016 are as follow:-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(8,863)	(3,265)
Reversal during the period	1,488	447
Ending balance	(7,375)	(2,818)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of inventory record as expense and include in the cost of goods sold				
- Cost of goods sold	718,132	1,907,769	613,276	1,639,478
- Loss from allowance for decline in value of inventories (reversal)	(1,488)	197	(447)	107
- Loss from allowance for decline in value of advance payment for goods (reversal)	256	(2,739)	(1,669)	(525)
Net	716,900	1,905,227	611,160	1,639,060

7. Advance payment for goods

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Advance payments for goods	475,341	473,343	371,117	406,446
<u>Less</u> Allowance for decline in value of inventories	(2,194)	(1,938)	(269)	(1,938)
Allowance for doubtful accounts	(5,668)	(5,668)	(5,668)	(5,668)
Net	467,479	465,737	365,180	398,840

A movement of allowance for diminution in value of inventories and allowance for doubtful for the three-month period ended March 31, 2016 are as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(7,606)	(7,606)
Reversal (increase) during the period	(256)	1,669
Ending balance	(7,862)	(5,937)

## 8. Deposit for investment

In accordance with minute of committee meeting's No. 6/2015 on June 25, 2015, the Company has reached the approval for an investment in Yala Green Energy Company Limited of 7,497,000 shares; 51% of total shares. As at March 31, 2016 and December 31, 2015, the Company paid deposits for investment totaling Baht 30.00 million for both periods. The value and conditions of investment are based on the results of the Company's due diligence on both legal and accounting and financial of this power plant. If the due diligence results are concluded, the Company will draft a share purchase investment agreement in the aforementioned power plant.

## 9. Investment in subsidiaries

Consisted of:-

(Unit : Thousand Baht)

Name of companies	Paid-up share capital		Percentage of Shareholding(%)		Separate financial statements			
					Investment cost method		Dividend For the three-month period	
					As at		ended March 31,	
	2016	2015	2016	2015	March 31, 2016	December 31, 2015	2016	2015
Rich Asia Industry Co., Ltd.	441,701	441,701	51.88	51.88	536,062	536,062	-	-
Rich Asia Engineering Co., Ltd.	80,000	1,000	95.00	90.00	19,675	900	-	-
Rich Asia Utilities Co., Ltd.	5,000	-	99.99	-	1,250	-	-	-
Total					556,987	536,962		
Less Allowance for impairment loss					(190,851)	(190,851)		
Net					366,136	346,111		

In the first quarter 2016, the Company made additional investment in ordinary shares of Rich Asia Engineering Co., Ltd. and Rich Asia Utilities Co., Ltd., for the value of Baht 18.78 million and Baht 1.25 million respectively.

10. Investment in associate

Consisted of:-

(Unit : Thousand Baht)

Name of companies	Percentage of Shareholding(%)	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>At book value equity method</u>		<u>Investment cost method</u>	
		<u>As at</u>		<u>As at</u>	
		<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
Thai National Product Co., Ltd.	29.89	29.89	187,060	189,414	198,478

Financial information of associate company

The financial information as presented in the financial statements of the Thai National Product Co., Ltd., were as follows:-

(Unit : Thousand Baht)

	<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Current assets	174,905	135,914
Non-current assets	314,343	325,448
Total assets	489,248	461,362
Current liabilities	(94,082)	(68,195)
Non-current liabilities	(5,605)	(6,068)
Total liabilities	(99,687)	(74,263)
Net assets	389,561	387,099

(Unit : Thousand Baht)

	<u>For the three-month periods ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
Revenue	61,699	69,579
Profit from continuing operations	2,462	3,694
Profit before income tax from discontinued operations	-	-
Profit for the period	2,462	3,694
Other comprehensive income for the period	-	-
Comprehensive income for the period	2,462	3,694
Dividend received from associate for the period	-	-

Reconciliation of financial based on the above information the carrying amount of the equity of the Thai National Product Co., Ltd., recognize them gradually in the consolidated financial statements.

(Unit : Thousand Baht)

	<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Net assets of the associate	389,561	387,099
Shareholding of the companies (%)	29.89	29.89
	116,439	115,704
The reduction in the fair value acquisition date	70,283	73,484
Other adjustments	338	226
Book value of the Company in associates	187,060	189,414

As at March 31, 2016 and December 31, 2015, the Company has pledge its shares of investment in associate, 4,015,000 shares and 3,680,000 shares, equivalent to 14.82% and 13.58% respectively of shareholdings as collateral of short-term loan from other parties in the notes to financial statements No. 16.

#### 11. Investment property

For the three-month period ended March 31, 2016, the movements of investment property was as follows:-

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statement</u>
Book value at the beginning of the period	8,849
Depreciation for the period	(229)
Book value at the end of the period	8,620

As at March 31, 2016 and December 31, 2015, the consolidated and separate financial statements, the whole amount of investment property are pledged for loans granted by financial institutions in the notes to financial statements No. 13.

Investment property according the consolidated and separate financial statements, as at March 31, 2016 and December 31, 2015, had the fair value which appraise by an independence appraiser, that appraise the fair value of a land by market comparison approach method and the cost approach method for buildings, according to appraisal report on November 2014 which had the total of fair value amount of Baht 22.03 million.

## 12. Property, plant and equipment

For the three-month period ended March 31, 2016, the movement of property, plant and equipment was as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Book value at the beginning of the period	819,869	69,657
Purchase of assets	359	154
Transfers in	4,057	438
Disposal/Write off assets	(157)	(157)
Transfers out	(4,057)	(438)
Depreciation for the period	(18,181)	(2,141)
Accumulate depreciation disposal/written off assets	154	154
Book value at the end of the period	802,044	67,667

As at March 31, 2016 and December 31, 2015, The Group Companies has pledged the part of land, property and machinery with the book value stated in the consolidated and separate financial statements of Baht 60.76 million and Baht 62.12 million respectively, to guarantee against credit facility of the Company that receives from commercial banks and financial institutions according to the note to financial statement No.13.

## 13. Credit facilities and guarantee

The Company have credit line from commercial bank and several financial institutions in form overdraft, trust receipts, short-term and long-term loan, the letter of guarantee, note receivable discount and factoring by granted the total credit line as at March 31, 2016 and December 31, 2015, in amount of Baht 1,172.85 million for both periods, It is pledged by the Company's mortgage of land and buildings and certain machinery of the Company, according to the note to financial statement No.11 and 12, some land, buildings and machinery of associate, land and buildings of other company, notes receivable, a part of deposit at bank and guaranteed of the Company, and subsidiary, by associate, other company and director of the Company, and beneficiary from insurance in buildings, machinery and equipment to commercial bank and financial institutions. In the first quarter 2016, the Company compliance with the term of debt restructuring agreement according to the note to financial statement No.18 and then proceed to redeem the mortgaged land, buildings and machinery of associate and obligations guaranteed by the associate.

14. Short-term loans from financial institutions

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Discount post dated cheques	4,000	-
Promissory notes	16,000	16,000
Total	20,000	16,000

As at March 31, 2016 and December 31, 2015, loan from discount post dated cheques, factoring and promissory note are carried by interest rates of 6.50% per annum for both periods.

15. Trade and other payable

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Trade accounts payable related parties	8,647	8,674	8,647	8,647
Trade accounts payable other parties	190,846	188,633	189,755	188,151
Other accounts payable related parties	3,131	3,167	3,131	3,166
Other accounts payable other parties	18,852	28,977	15,200	25,838
Accrued expenses related parties	599	599	4	-
Accrued expenses other parties	21,527	21,692	16,563	16,745
Others	7,172	7,172	7,172	7,172
Total	250,774	258,914	240,472	249,719

In the first quarter 2016, the Company entered into a compromise agreement with a other payable to extend the debt repayment to be monthly repaid in five installments at Baht 0.64 million per installment beginning at the end of February 2016. The Company has book value of other payable amount of Baht 10.70 million and the amount of repayment totaling of Baht 3.20 million. If the Company can pay the full amount owed under the contract terms and the creditor is willing to compromise forgiven the remaining amount of Baht 7.50 million.

#### 16. Short-term loans from other persons and parties

As at March 31, 2016 and December 31, 2015, the consolidated and separate financial statements, the whole amount is loan from bill of exchange issue to private placement investor through financial institutions whose recommend the investor for the Company. Such loan has maturity term for 6 months with financial cost equivalent to interest rate at 7.50% per annum for both periods. Such loan has shares of associate pledged as collateral.

#### 17. Debentures

As at March 31, 2016 and December 31, 2015, the Company had issued unsubordinated and unsecured debentures, payable quarterly. This to support the operation and investment in 2015, totaling Baht 1,230 million as follows:-

(Unit : Million Baht)

<u>Debentures No.</u>	<u>As at</u>		<u>Interest</u>	<u>Term</u>	<u>Maturity Date</u>
	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>Rate</u>		
1/2015	500.00	500.00	6.50%	1 year 9 months	30 Jan 2017
2/2015	500.00	500.00	6.50%	2 years	16 Jul 2017
3/2015	230.00	230.00	6.20%	1year 11 months 29 days	27 Oct 2017
Total	1,230.00	1,230.00			
Deferred consulting fee	(7.41)	(9.03)			
Deferred service fee	(7.42)	(9.05)			
Deferred charge	(0.09)	(0.11)			
Total debentures	1,215.08	1,211.81			
Current portion	(495.23)	-			
Net	719.85	1,211.81			

As at March 31, 2016 and December 31, 2015, the fair value of debentures in amount of Baht 1,232.32 million and Baht 1,228.29 million respectively, which is determined by the last bid price on the Thai Bond Market Association on the last business day of the period.



18. Liabilities under debt restructuring agreement

Consisted of:-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Principal amount	540,358	1,031,358
Accrued interest expenses	110,368	402,775
Accrued interest pending for waiving	253,167	20,836
Total	903,893	1,454,969
<u>Less</u> Current portion	(54,000)	(48,000)
Net	849,893	1,406,969

The movements of liabilities under debt restructuring agreement for the three-month period ended March 31, 2016, are as follow:-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Book value at the beginning of the period	1,454,969
Realized pending accrued interest to reduce interest expense	(415)
Suspend accrued interest for the period	17,339
Repayment during the period	(568,000)
Book value at the end of the period	903,893

The consolidated and separate financial statements, liabilities under debt restructuring agreement derived from the debt restructuring contract dated on May 30, 2014. In the first quarter of the year 2016, the Company and creditor together agreed and signed the new agreement of debt restructure dated March 30, 2016, to adjust the repayment terms and a partial release of collateral. The contract has classified the debt to 4 tranches and details of new repayment term as following:-

1. The Company must pay to creditor at least Baht 560.00 million, which the repayment amount to deduct the principal and accrued interest of each tranches are as follows:-

(Unit : Thousand Baht)

<u>Tranche</u>	<u>Credit Lines</u>	<u>Principals</u>	<u>Accrued interests</u>	<u>Total</u>
1	Baht 400 million	176,760	24,840	201,600
2	Baht 275 million	132,570	18,630	151,200
3	Baht 250 million	88,380	12,420	100,800
4	Baht 200 million	93,290	13,110	106,400
	Total	491,000	69,000	560,000

In the first quarter 2016, the Company repayment above then proceed to redeem the mortgaged land, buildings and machinery of associate and obligations guaranteed by the associate.

2. The remaining principal repayment in monthly installments including 96 months (8 years) or the maturity date of March 31, 2024 began the first payment date of April 30, 2016, as detailed below:-
- First tranche : The credit line of Baht 400.00 million, as at March 31, 2016, remaining balance amount of Baht 332.81 million comprise principal amount of Baht 196.97 million, accrued interest amount of Baht 46.25 million and accrued interest pending for waiving amount of Baht 89.59 million (December 31, 2015 : remaining balance amount of Baht 531.19 million comprise principal amount of Baht 373.73 million and accrued interest amount of Baht 157.46 million), with interest rate at SPRL+1.00% per annum.
  - Second tranche : The credit line of Baht 275.00 million, as at March 31, 2016, remaining balance amount of Baht 253.05 million comprise principal amount of Baht 141.47 million, accrued interest amount of Baht 37.11 million and accrued interest pending for waiving amount of Baht 74.47 million (December 31, 2015 : remaining balance amount of Baht 402.04 million comprise principal amount of Baht 274.04 million and accrued interest amount of Baht 128.00 million), with interest rate at SPR+1.25% per annum.

- Third tranche : The credit line of Baht 250.00 million, as at March 31, 2016, remaining balance amount of Baht 140.49 million comprise principal amount of Baht 99.71 million, accrued interest amount of Baht 0.11 million and accrued interest pending for waiving amount of Baht 40.67 million (December 31, 2015 : remaining balance amount of Baht 239.37 million comprise principal amount of Baht 188.09 million and accrued interest amount of Baht 51.28 million), with interest rate at SPR+1.25% per annum.
- Fourth tranche : The credit line of Baht 200.00 million, as at March 31, 2016, remaining balance amount of Baht 177.54 million comprise principal amount of Baht 102.21 million, accrued interest amount of Baht 26.90 million and accrued interest pending for waiving amount of Baht 48.43 million (December 31, 2015 : remaining balance amount of Baht 282.37 million comprise principal amount of Baht 195.50 million and accrued interest amount of Baht 86.87 million), with interest rate at SPR+1.00% per annum.

Table of principal and interest repayment per installment (Unit : Million Baht)

<u>Installment periods</u>	<u>First tranche</u>	<u>Second tranche</u>	<u>Third tranche</u>	<u>Fourth tranche</u>	<u>Total</u>
Periods 1-12 (Apr 16-Mar 17)	1.665	1.17	0.81	0.855	4.50
Periods 13-24 (Apr 17-Mar 18)	1.850	1.30	0.90	0.950	5.00
Periods 25-36 (Apr 18-Mar 19)	2.220	1.56	1.08	1.140	6.00
Periods 37-48 (Apr 19-Mar 20)	2.405	1.69	1.17	1.235	6.50
Periods 49-60 (Apr 20-Mar 21)	3.145	2.21	1.53	1.615	8.50
Periods 61-72 (Apr 21-Mar 22)	3.330	2.34	1.62	1.710	9.00
Periods 73-84 (Apr 22-Mar 23)	4.070	2.86	1.98	2.090	11.00
Periods 85-95 (Apr 23-Feb 24)	4.995	3.51	2.43	2.565	13.50
Periods 96 (Mar 24)	Outstanding				

If the Company can perform the terms of the debt restructuring, the creditors willing to compromise forgiven accrued interest pending for waiving of all group amount of Baht 253.16 million.

Liabilities under debt restructuring agreement constitutes collaterals according to notes to the financial statements No. 13.

# 19. Employee benefit obligations

Changes in the present value of the employee benefit obligations for the three-month period ended March 31, 2016 are as follows:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Employee benefit obligations at the beginning of the period	1,763	1,229
Current service cost	16	7
Interest cost	9	3
Employee benefit obligations at the end of the period	1,788	1,239

Expenses recognized in statements of comprehensive income are shown collectively for the three-month periods ended March 31, 2016 and 2015, are as follows:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of goods sold	6	-	-	-
Selling expenses	1	3	-	3
Administrative expenses	7	11	5	2
Management benefits expense	2	2	2	2
Finance cost	9	8	3	3
Total	25	24	10	10

Principal actuarial assumptions at the reporting date are as follows:-

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
	(%)	(%)
Discount rate	4.30-4.52	4.30-4.52
Salary increase rate	0.44-8.58	0.44-2.87
Mortality rate (Thai Mortality Ordinary Table 2008)	100 of mortality	100 of mortality
Disability rate	10 of mortality	10 of mortality
Employee turnover rate	0-63	26-46

## 20. Deferred tax liabilities

Deferred tax liabilities as at March 31, 2016 and December 31, 2015, were as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statement</u>	
	<u>As at</u>	
	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Deferred tax liabilities	(92,076)	(93,503)
Net	(92,076)	(93,503)

The movement of deferred tax liabilities for the three-month period ended March 31, 2016, was as follows:-

	)Unit : Thousand Baht(		
	<u>Consolidated financial statement</u>		
	<u>As at</u>	<u>(Charged)/credited to statements</u>	<u>As at</u>
	<u>January 1, 2016</u>	<u>of comprehensive income</u>	<u>March 31, 2016</u>
	<u>(Note 23)</u>		
Deferred tax liabilities			
Property, plant and equipment	(93,503)	1,427	(92,076)
Total	(93,503)	1,427	(92,076)

As at March 31, 2016 and December 31, 2015, the Group Companies had temporary differences mainly arising from the unutilized tax losses carry forward in consolidated financial statement totaling Baht 1,082.81 million and Baht 1,142.64 million respectively and separate financial statement totaling Baht 910.44 million and Baht 931.58 million respectively which have not been recognized as deferred tax assets in the statement of financial position. (because it is not probable that it will be able to utilize the tax benefit in the foreseeable future)

## 21. Share capital

The movement of share capital for the three-month period ended March 31, 2016 is as follow:-

	Number of share (Unit : Thousand share)	Amount (Unit : Thousand Baht)
Registered share capital (Baht 1.00 per share)		
As at January 1, 2016	2,400,000	2,400,000
Increased (decreased) shares during the period	-	-
As at March 31, 2016	2,400,000	2,400,000
Issued and paid-up share capital (Baht 1.00 per share)		
As at January 1, 2016	2,400,000	2,400,000
Increased (decreased) shares during the period	-	-
As at March 31, 2016	2,400,000	2,400,000

### Capital management

The objectives of the Company and its subsidiaries' capital management are arrangement of appropriated financial structure and maintenance of ability in continuously business operation whereas there is policy of debt to equity ratio maintenance to hold in the rate that the Company and its subsidiaries can operate business while there is appropriated capital cost burden including policy of debt to equity ratio maintenance to comply with term in the loan contract that there are related financial institutes.

As at March 31, 2016 and December 31, 2015, in the consolidated financial statements, debt to equity ratio is 2.35 : 1.00 and 2.85 : 1.00 respectively and the separate financial statements, debt to equity ratio is 2.54 : 1.00 and 3.13 : 1.00 respectively.

## 22. Management benefit expense

The management benefit expense in consolidated and separate financial statements included the directors' remuneration benefits paid to the directors of the Company as per Section 90 of the Public Limited Company Act excluding salaries and related fringe benefits paid to directors who are the executives of the Company for the three-month period ended March 31, 2016 and 2015 amount of Baht 0.12 million and Baht 0.27 million respectively.

## 23. Income tax revenues

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax expense	-	-	-	-
Deferred tax expense (Note 20)				
Movements in temporary differences	(1,427)	(1,391)	-	-
Total	(1,427)	(1,391)	-	-

## 24. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the period.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit for the period (Unit : Thousand Baht)	11,872	2,702	20,702	4,347
The number of issued and paid-up ordinary shares				
(Unit : Thousand shares)	2,400,000	2,400,000	2,400,000	2,400,000
Basic earnings per share (Baht/share)	0.005	0.001	0.009	0.002

## 25. Segment information

Segment information is presented in respect of the Group Companies business segments.

Operating segment information is reported in a manner consistent with the internal reports the Company and its subsidiaries that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### Business segments

For the three-month periods ended March 31, 2016 and 2015, the Group companies has only one major geographic segment is a produce and distribution of steel product business.

### Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

### Major customers

For the three-month period ended March 31, 2016, revenues from 3 customer of the produce and distribution of steel product business segment represent approximately Baht 399.16 million of the Group Company total revenues. (2015 : revenues from 4 customer of the produce and distribution of steel product business segment represent approximately Baht 1,578.90 million.)

## 26. Obligations and contingent liabilities

Certain liabilities shown on the financial statements, the Group companies still remains contingent liabilities with commercial banks and third party as follows:-

### 26.1 The Group companies had letter of guarantee has bank as follows:-

	(Unit: Million Baht)			
	<u>Consolidated financial statements as at</u>		<u>Separate financial statements as at</u>	
	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>March 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
- Letter of guarantee has bank deposit of the Company and its subsidiary pledge for collateral	3.50	3.50	1.85	1.85



26.2 The Group companies entered into agreements to property, plant and equipment, have remaining obligations under several subcontractors as follow:-

<u>Consolidated financial statements/ Separate financial statements</u>						
<u>As at March 31, 2016</u>				<u>As at December 31, 2015</u>		
<u>Currency</u>	<u>Contractual</u>	<u>Outstanding</u>		<u>Contractual</u>	<u>Outstanding</u>	
(Unit : Million)	<u>amount</u>	<u>Paid</u>	<u>contractual obligation</u>	<u>amount</u>	<u>Paid</u>	<u>contractual obligation</u>
Baht	12.00	2.40	9.60	12.00	2.40	9.60

## 27. Exchange rate risks

The Group companies had Exchange rate risks is derived from raw material purchased and imported from overseas; as a result, the Group companies constitute risk with respect to the change of exchange rate. However, the Group companies will consider using appropriately financial derivative so as to hedge against such risk when the exchange rate situation holds unstable trend. The Group companies obtained liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows:-

<u>Consolidated/Separate financial statements as at</u>		
<u>Currency</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Million US Dollar	2.57	2.63

## 28. Fair value hierarchy

As at March 31, 2016, the Group companies had the assets and liabilities that were measured at fair value or fair value disclosures using different levels of inputs to be used in fair value measurement as follows:-

(Unit : Million Baht)				
<u>Consolidated/Separate financial statements</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets disclosed at fair value</u>				
Investment properties (Note 11)	-	-	22.03	22.03
<u>Liabilities disclosed at fair value</u>				
Debentures (Note 17)	-	1,232.32	-	1,232.32

29. Litigation

A lawsuit had been filed against the Company claiming in the amount Baht 25.35 million. This comprised debt of Baht 24.61 million arising from the purchase of goods and interest charges of Baht 0.74 million and interest rate at 12.00% per annum until the payment is settled. The civil court ordered the Company to pay the creditor. The remaining interest expenses of Baht 0.84 million, the Company has negotiated with creditor to reduce debt.

30. Events after the reporting period

At the General Meeting of Shareholders of 1/2016 on April 29 2016, the Board approved for the change of the Company name from Rich Asia Steel Public Company Limited to Rich Asia Corporation Public Company Public Company Limited.

31. Approval of interim financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board director on May 13, 2016.

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